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Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Fifth Committee

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I. Introduction

1. At its 3rd plenary meeting, on 15 September 1998, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-third session, and to allocate to the Fifth Committee, the item entitled:

"Financial reports and audited financial statements, and reports of the Board of Auditors:

"(a) United Nations;

"(b) United Nations Development Programme;

"(c) United Nations Children's Fund;

"(d) United Nations Relief and Works Agency for Palestine Refugees in the Near East;

"(e) United Nations Institute for Training and Research;

"(f) Voluntary funds administered by the United Nations High Commissioner for Refugees;

"(g) Fund of the United Nations Environment Programme;

"(h) United Nations Population Fund;

"(i) United Nations Habitat and Human Settlements Foundation;

"(j) Fund of the United Nations International Drug Control Programme;

"(k) United Nations Office for Project Services".

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2. At its 27th, 29th, 31st, 32nd and 42nd meetings, on 16, 18 and 20 November and 10 December 1998, the Fifth Committee considered the financial reports and audited financial statements, and reports of the Board of Auditors:

(a) For the 18–month period from 1 January 1996 to 30 June 1997 on United Nations peacekeeping operations;[1]

(b) For the period ended 31 December 1997 on the United Nations, the International Trade Centre and the United Nations University,[2] the United Nations Development Programme,[3] the United Nations Children's Fund,[4] the United Nations Relief and Works Agency for Palestine Refugees in the Near East,[5] the United Nations Institute for Training and Research,[6] the voluntary funds administered by the United Nations High Commissioner for Refugees,[7] the Fund of the United Nations Environment Programme,[8] the United Nations Population Fund,[9] the United Nations Habitat and Human Settlements Foundation,[10] the Fund of the United Nations International Drug Control Programme[11] and the United Nations Office for Project Services;[12]

(c) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/53/513).

3. For its consideration of the item, the Committee also had before it the following documents:

(a) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ended 30 June 1997 (A/52/879);

(b) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (A/53/335 and Add.1);

(c) Note by the Secretary-General transmitting the report of the Board of Auditors on the management review of the secretariat of the International Civil Service Commission (A/52/811);

(d) Note by the Secretary-General transmitting a concise summary of principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors on the audit of the accounts for the financial period ended 31 December 1997 (A/53/217).

4. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/53/SR.27, 29, 31, 32 and 42).

5. At the 27th meeting, on 16 November, the Chairman of the Board of Auditors introduced the reports of the Board (see A/C.5/53/SR.27).

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[1] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 5* (A/52/5, vol. II).

[2] Ibid., *Fifty-third Session, Supplement No. 5* (A/53/5, vols. I, III and IV).

[3] Ibid., *Supplement No. 5A* (A/53/5/Add.1).

[4] Ibid., *Supplement No. 5B* (A/53/5/Add.2).

[5] Ibid., *Supplement No. 5C* (A/53/5/Add.3).

[6] Ibid., *Supplement No. 5D* (A/53/5/Add.4).

[7] Ibid., *Supplement No. 5E* (A/53/5/Add.5).

[8] Ibid., *Supplement No. 5F* (A/53/5/Add.6).

[9] Ibid., *Supplement No. 5G* (A/53/5/Add.7).

[10] Ibid., *Supplement No. 5H* (A/53/5/Add.8).

[11] Ibid., *Supplement No. 5I* (A/53/5/Add.9).

[12] Ibid., *Supplement No. 5J* (A/53/5/Add.10).

II. Consideration of draft resolution A/C.5/53/L.16

6. At the 42nd meeting, on 10 December, the representative of Zimbabwe, coordinator of the informal consultations on the item, on behalf of the Chairman, introduced a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/53/L.16).

7. At the same meeting, the Committee adopted draft resolution A/C.5/53/L.16 without a vote (see para. 9).

8. After the adoption of the resolution, a statement in explanation of position was made by the representative of the United States of America.

III. Recommendation of the Fifth Committee

9. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Having considered, for the period ended 31 December 1997, the financial reports and audited financial statements of the United Nations,[13] United Nations peacekeeping operations (for the period ended 30 June 1997),[14] the International Trade Centre UNCTAD/WTO and the United Nations University,[15] the United Nations Development Programme,[16] the United Nations Children's Fund,[17] the United Nations Relief and Works Agency for Palestine Refugees in the Near East,[18] the United Nations Institute for Training and Research,[19] the voluntary funds administered by the United Nations High Commissioner for Refugees,[20] the Fund of the United Nations Environment Programme,[21] the United Nations Population Fund,[22] the United Nations Habitat and Human Settlements Foundation,[23] the Fund of the United Nations International Drug Control Programme,[24] the United Nations Office for Project Services,[25] the reports and audit opinions of the Board

[13] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. I, chaps. I and V.

[14] Ibid., *Fifty-second Session, Supplement No. 5* (A/52/5), vol. II, chaps. I and V.

[15] Ibid., *Fifty-third Session, Supplement No. 5* (A/53/5), vol. III, chap. IV; and vol. IV, chaps. I and V.

[16] Ibid., *Supplement No.5A* (A/53/5/Add.1), chaps. I and IV.

[17] Ibid., *Supplement No.5B* (A/53/5/Add.2), chaps. I and IV.

[18] Ibid., *Supplement No.5C* (A/53/5/Add.3), chaps. I and V.

[19] Ibid., *Supplement No.5D* (A/53/5/Add.4), chaps. I and V.

[20] Ibid., *Supplement No.5E* (A/53/5/Add.5), chaps. III and IV.

[21] Ibid., *Supplement No.5F* (A/53/5/Add.6), chaps. I and V.

[22] Ibid., *Supplement No.5G* (A/53/5/Add.7), chaps. I and V.

[23] Ibid., *Supplement No.5H* (A/53/5/Add.8), chaps. I and V.

[24] Ibid., *Supplement No.5I* (A/53/5/Add.9), chaps. I and V.

[25] Ibid., *Supplement No.5J* (A/53/5/Add.10), chaps. I and IV.

of Auditors,[26] the concise summary of principal findings, conclusions and recommendations of the Board of Auditors[27] and the report of the Advisory Committee on Administrative and Budgetary Questions,[28]

Taking note of the reports of the Secretary-General on the measures taken or to be taken to implement the current recommendations of the Board of Auditors,[29] and of the responses of the executive heads of the United Nations organizations and programmes to the recommendations of the Board,[30]

Commending the Board of Auditors for carrying out its reviews in a comprehensive and efficient manner, in line with regulation 12.5 of the financial regulations of the United Nations,

Expressing concern about the persistence of problems and defects in the financial administration and management of the United Nations, observed by the Board,

Emphasizing the need to improve implementation of the recommendations of the Board, as approved by the General Assembly,

1. *Accepts* the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors regarding the above-mentioned organizations, subject to the provisions of the present resolution;

2. *Also accepts* the concise summary of principal findings, conclusions and recommendations of the Board of Auditors, subject to the provisions of the present resolution;

3. *Notes with serious concern* that the Board of Auditors has qualified its audit opinion on the financial statements of the United Nations Development Programme, the United Nations Population Fund and the United Nations International Drug Control Programme;

4. *Requests* the Secretary-General and the executive heads of the United Nations funds and programmes mentioned in paragraph 3 above to take steps to rectify the situation in order to avoid another qualification during the next audit;

5. *Approves* all the recommendations of the Board of Auditors, and endorses the comments thereon contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[28] subject to the provisions of the present resolution;

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[26] Ibid., *Fifty-first Session, Supplement No. 5* (A/51/5), vol. I, chaps. II and III; ibid., *Fifty-second Session, Supplement No. 5* (A/52/5), vol. II, chaps. II and III; ibid., *Fifty-third Session, Supplement No. 5* (A/53/5),vol. III, chaps. I and II; and vol. IV, chaps. II and III; ibid., *Supplement No.5A* (A/53/5/Add.1), chaps. II and III; ibid., *Supplement No.5B* (A/53/5/Add.2), chaps. II and III; ibid., *Supplement No.5C* (A/53/5/Add.3), chaps. II and III; ibid., *Supplement No.5D* (A/53/5/Add.4), chaps. II and III; ibid., *Supplement No.5E* (A/53/5/Add.5), chaps. I and II; ibid., *Supplement No.5F* (A/53/5/Add.6), chaps. II and III; ibid., *Supplement No.5G* (A/53/5/Add.7), chaps. II and III; ibid., *Supplement No.5H* (A/53/5/Add.8), chaps. II and III; ibid., *Supplement No.5I* (A/53/5/Add.9), chaps. II and III; ibid., *Supplement No.5J* (A/53/5/Add.10), chaps. II and III.

[27] See A/53/217.

[28] A/53/513.

[29] A/53/335 and A/52/879.

[30] A/53/335/Add.1.

6. *Requests* the Secretary-General and the executive heads of the United Nations funds and programmes to ensure timely implementation of the recommendations of the Board, in accordance with the provisions of paragraphs 3 to 5 of its resolution 52/212 B of 31 March 1998;

7. *Decides* to consider specific issues, as appropriate, under the item entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" at its resumed fifty-third session.